

WHAT DO WE KNOW ABOUT CROSS-CULTURAL MARKETING?

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Abstract: *The strong competition on the world market determines companies to search new marketing solutions for a successful development. In the context of an ever increasing diversity and globalisation, this article presents a new kind of marketing strategy, addressing the specific case of the multicultural markets, in order to identify and clearly define new market needs. While it is obvious that these market demands are affected by the power of the traditions and national values, the use of cross-cultural marketing opens new opportunities for companies to meet these demands, and thus to increase profit.*

Key words: *Cross-Cultural Marketing, Cross-cultural market, cultural similarities and differences, adapt Mix Marketing.*

1. Introduction

Today, Global strategies of any company are the main subject for the top management, which must be supported by efficient marketing techniques.

I.C. Dragan, pioneer of European marketing stated that “*where there are no practices of marketing techniques that recover the information and the tendencies on the market, there are no developments*”.

In this context, international Marketing is a crucial tool for management, as it facilitates the investments and resource development to the point of its harmonization with the market needs. It also represents “the engine” which multiplies all resources.

International Marketing requires thus lots of work. Companies must prepare themselves to optimistically pass various obstacles by searching new solutions for “the unpredictable” and “the unknown” problems of the new 21st century, which is

marked by globalization. This inevitable process of globalization assumes not only the companies’ independence growth with respect to their economies, but also new ways of meeting the customer’s demand.

Until recently, the market was defined by a geographical area with well defined borders, in which expanding or restraining those borders was conceived only within the game of supply and demand. Today we are witnessing global market changes with no borders between languages and countries, in which the concept of globalization, globalization and competition are a reality. This makes a significant change from the traditional market, as the present market is constantly on the move due to the services, communications, and informational structure which allow for global communication [4]

Nevertheless, numerous customer segments – sometimes important ones - are

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very influenced by cultures and local traditions which are coping with the uniformity waves of globalisation [5].

Thus, the most important changes that we found in marketing strategies regards company orientation, i.e. in specific projects adapting the products/services to each particular market, which is an answer to the specific costumer behaviour on the respective market.

Different communities are animated by distinct sets of habits and common traditions that are developed in common according to their own needs. They are the users of specific products/services such as certain clothes and accessories. These needs are the result of the customer's education, culture and life style [2].

Therefore, the studies of the individual customer and their variable behaviour could not be designed without noticing the external influence of cultural, social, psychological facts and also the influences of society, groups, families and friends.

As a buyer, the consumer takes decisions and plays three different roles: buyer, payer and user. The decision is a combination of necessity/possibility for paying the best offer.

It is known that well targeted marketing campaigns can influence favourably the decision of buying. It also can speculate and recover the sensitivity of customer behaviour.

All this lead us to a new way of looking and analyzing the customer behaviour by using new marketing techniques that take into consideration the specific features of culture tradition and education.

However, we cannot say that these factors have been neglected or have not been present on the market till now. On the contrary, most of these factors were actively considered on the market. But these days, when globalisation is combined more and more with the trend of preserving cultural identity, companies are

made to pay serious attention to these factors in order to enhance their profit.

Consumers get lots of offers from all over the world for the same product. They become thus more informed and more careful with their spending. As a consequence, most of them are forced to consider as satisfying even needs and habits considered small in other times, defining a new level of depth in identifying and treating new demands.

Sometimes, when crossing cultural borders, the consumer experiences a chameleonic behaviour, changing his practices. Thus [s]he is usually asking for uniform global products but without giving up basic elements of cultural identity, which are part of their own education and life style.

Consuming hamburgers at McDonalds, does not mean that [s]he lost the taste of a good home meal or either that [s]he gave up to treat themselves to a fancy French restaurant.

To make it even more complex, after 1990, due to economic and political changes, a massive movement happened: people migrated from one country to another and even from town/village to town. Each of these migrants carries his/her own education, culture accumulated background, habits and traditions of consumption. They formed new "habitats" which cannot be ignored from the marketers. Therefore, in order to make the best decision, companies must always be aware of the demographic changes and analyze their impact on the market. This paper analyses the concept of cross cultural marketing that integrates the above features and requirements into a unique approach for a modern marketing campaign.

2. Cross-cultural marketing. Concept and features

The participants on the global market realise that the world has become more and

more global. The cross-cultural characteristics now impose specific demands, so the global markets become cross-cultural markets. Therefore, considering the importance of cultural difference is a major factor for the success of the companies on foreign markets.

“Psychologists consider that the influence of the culture on the human being and on his own psychological structures exceeds the importance of his own natural habitat” [6].

On top of all these aspects, the effect of migration must be considered. The *cultural anthropology* is not only about the study of people’s migration, but also about the transmission of the ethnic culture from generation to generation, in addition to gaining the habits of the local population. This combined culture greatly impacts on customer behaviour and on each member of the community. Example:

Today and after centuries, the Muslim Turks from Dobrogea (Romania), respect their traditional fasting and celebrations: (Eid, Bairam).

In France, a team from Toulouse University tried to define a new discipline which studies the interactions between groups of people with different culture, background, behaviour and evolution as customers. In 1990, Clanet uses the word “cross-cultural”, which he defines as: *“the overall processes in which individuals and their social groups with different cultures interact in time, keeping their habits and inherited traditions unaltered”* [3]

Today, the word “cross-cultural” is more often used in Marketing research, mostly because we understood the influence of “culture” in a multicultural world, where consumption becomes global. Therefore, the cross-cultural consumer’s behaviour opened to scientists a new field of study i.e. the new concept of “cross-cultural marketing” with its own principles and techniques of study. These practices are

valid for a market with a different culture than the mother company.

R.G.TIAN, professor at Wisconsin University defines cross-cultural Marketing as “a strategic process of marketing which apply to customers with a different culture from the one of the marketers: different spoken language, religion, norms, values and the life style”. [10]

On the same market, companies use different strategies for international, global or cross-cultural marketing according to its own target, complexity, experience, and, most importantly, according to market conditions, in order to make profit and meet market demands.

In fact, there are similarities between international, global and cross-cultural Marketing determined by the universal marketing techniques. However, there are some limitations determined by certain particularities and specifications of each strategy.

We use cross-cultural marketing on international markets, in order to expand the exports and develop the company on that market. However, cross-cultural Marketing deepens the research on that market in order to identify its sensitivity (the similarities and differences) on the influences of the Mother Company’s culture. All this will help in adapting the marketing mix to the new conditions of the market.

From this point of view, we can consider the cross-cultural marketing as a component which proceeds /or completes the international marketing. This will lead us to identify the various segments of consumers and their demands more accurately.

However, Cross cultural marketing does not replace international marketing

Global marketing treats markets as entities. In an effort to homogenise a brand/ trade name for a product or service in a unique way for all world market, a

homogenous policy of marketing and communication is usually involved. Global companies act constantly on the same markets as long as they can keep low cost and manage to sell the same product in the same way all over the world. However, they adapt to the local market demand.

MacDonald sells hamburgers all over the world, but also sells different national meals, in each country.

On the opposite, Cross-cultural marketing adapts a trade/brand name, product/ service to the value system of the targeted market. This can be done by using special communication paths considering all the market sensitivities, which are the result of social and cultural differences.

The practitioners that are using the cross-cultural marketing agree that “it is easier to understand a targeted market than try to change it.”[7].

In general, consumers look for local/global products, brand names which make them feel that they are part of an international community. At the same time, they are fulfilling their needs and habits. Therefore, cross-cultural Marketing is a translation in practice of: “think a business globally, but act locally”, [2].

It is more efficient to design products/services with different functions and values (adapted to the particularities of each market), instead of making a single group of products/services be exported globally.

Theoretically, there is a big difference between uniform marketing on all markets and specific marketing for each market. Practically, it is limited by several factors: external (cultural, economic) and internal (the history, the organization of the company). These factors influence the marketing policy of the company.

Companies combine the “pure global”/ “pure local” strategies with the reality of the market. The results are solutions which

are influenced by culture, society and economy.

The luxury products market is “Pure global”. The cheese market is a “pure local”; even in the cheese market we find French or Swiss cheese.

3. Implementation of cross-cultural Marketing

Using cross-cultural Marketing on the global market is a big opportunity, but at the same time, it is a big challenge: It does demand new techniques and tactics of know-how, analysing and it also requires market adjustments. Multinational companies use cross-cultural marketing techniques on a multicultural market in order to:

- Verify if the name of the company can be easy to spell and to remember, and does not give a negative picture for the product/service on the market. Audit of cross-cultural marketing is required.
- Adapt a brand/trade mark, a product /service to the values and expectancy of the future clients. Quality study and cultural decoding;
- Decode the cultural differences that exist on the targeted market.[7]

In order to survive, a multinational company has to act fast: take advantage of the local assets, identify the sensitivities of the customers, especially the ones that are not well recovered and become dissatisfied demands. [1]

Surprisingly, sometimes even the understanding of one’s own culture requires a deep study. It is due to the cultural influences from the original market that remain in the subconscious and that are not clearly defined; *people react to things automatically, because this is how they do things all the time.*

It is now demonstrated that developing a business on a foreign market, the use of Cross-cultural Marketing is a must. It will identify all cross-cultural factors that might

be used in order to implement the marketing program properly. Sometimes, these factors might be known, sometimes not. However, in order to succeed, they must be identified and more importantly - they must be used ALL concurrently.

In order to make an easy implementation, local culture should be understood from different perspectives and delimitate the similarities. The identified differences will help in adapting the projects to a new market. The company does not have to judge what is normal and what is not concerning customer behaviour on the selected market but instead, it has to simply adapt its offer to the new identified demands.

Anthony Ghiddens, a British sociologist, stated that "*globalization is the reason for that; our unique local cultural identity has recovered its own importance, all over the world.*" [...]. Therefore, in order to penetrate new markets and to develop a new business, companies have to study and understand the cultural facts available on the targeted consumer communities.

The cultural adjustment of the marketing program is one of the biggest challenges for the companies that act on the international market. The company decisions are the result of its own experiences. The experiences are the result of knowledge and adaptation to the national culture of the target market; **no rules and no old techniques can be applied** because of the fast technological evolution (e.g. ICT technologies) that is now part of the game and changes continuously the marketing landscape.

These do open the possibility for the company to adapt fast and with low costs marketing programs.

In summary, we hereby take note and acknowledge the genuine effect of Cross cultural marketing actions: discovers and finds all the cultural sensitivities which can

affect consumer behaviour, identifying therefore new favourable niches which will bring more costumers to the company.

Cross cultural marketing strategies are thus part of the marketing mix: materialize the entire major decisions, which are designed for customer satisfaction by considering the entire controllable/uncontrollable variables available on the target market.

The *Cross-cultural marketing mix*, should therefore consider all cultural elements of the consumers such as: language, religion, education, aesthetics, norms and traditional values. These elements will affect the market policy of the company and the elements of the marketing mix.

The consumer behaviour on multicultural market can be understood only by studying and analysing the cross-cultural factors which have an influence over products/services, price, distribution or promotion policies.

In fact, all the components are available on the market and have a cultural background, and the costumer behaves in his own cultural environment.

From a certain point of view, "everything has its own cultural background". Culture is a reality linked by thousands of threads to society. It is "a space" where the cultural forces get in order to transmit messages to the consumer, in order to select products and services. If the income of the costumer were the same, only cross-cultural factors can explain their different behaviour on the same market.

The market segments that are influenced by cross-cultural factors are important and cannot be neglected by companies. Therefore, companies invest in research to identify, study and understand markets with unfulfilled demand.

4. The impact of culture on marketing decisions

We have shown so far that, by correctly delimitating the differences between the cultural characteristics of the targeted market and the ones of the mother company, the marketing strategies can be effectively applied. As a consequence, the structure of the company's offer will adapt to the market demand by taking into consideration: education, religion, norms, values and traditions of the community.

In this section we analyse the influence of the various cultural components on the marketing aspects.

(i) Cultural perception of quality

The qualities of the products have to respond to the high expectation of the customer and of the community. At the same time, the expectation of the customers towards a brand name can be affected by the language (when translation has a negative impact), aesthetics and cultural values.

Societe Generale bank from France, or any German or Swiss bank, will be more preferred from the very beginning because of the cultural perception of their associated stability and seriousness.

The same principle for luxury trademarks that are identified by their origin country: Louis Vuiton, Dior or Chanel represents France; Gucci represent Italy and IKEA is Swedish; and all are so well known all over the world that they have become part of the present culture.

Even so, we hereby argue that the cross-cultural characteristic of the market can influence the price policy of the company in certain ways, through the relationship between price and quality, and through the attitude towards negotiation.

In some countries, it is difficult to determine whether a high price item represents a high quality, or it is just a speculation of the market.

In Muslim countries, religion forbids taking usury, so loans cannot be used as a marketing instrument. As an alternative, cash discounts are being used.

When companies choose the channels of distribution or manage their intermediate relationships, they cannot neglect the buying habits, the economic development and system of values of the customers. *Doing so, they open the gates for door-to-door sales and the sales over the internet.*

In Africa, the geographical limits of sales area are marked by the influences of tribes, which allow or do not allow certain sales people.

(ii) Cultural influence on promotional policies

The impact of the culture on the promotional policies is much stronger than on other components of the marketing mix. Among the elements of promotional policy, it appears that the most affected by culture is advertising. This is the direct result of the cultural influence (e.g. on media support, on the content, and on the advertising budget). It also influences the relationship between clients and companies. The elements of sales, public relations and personal sales are also affected, although on a lower level [9].

Communication channels that are used by the media support as part of the continuous technological evolution are also very important: press, radio, TV, cinema, Internet, and recently media like Facebook Twitter etc. The choice of the appropriate media support is strongly influenced by national values, which can limit the usage of a certain media support as for example limiting the timing of TV-spots. *Some countries have a small number of newspapers and magazines that allow advertisements to be inserted; other countries do not have satellite or cable TV.*

In Sweden, Finland, Saudi Arabia advertising over TV is not allowed.

In countries with a higher percentage of illiterates, like Trinidad or Nepal, the most effective advertising is done on the radio; In Venezuela, Peru or Mexico the advertising on TV is very popular. In Argentina and India, cinema is the best media for advertising.

(iii) Language influence

In general, when it comes to advertising, the highest obstacle is the language, which is the most important part of a culture. Wrong translations or twisted words, can cause a change of meaning of the slogan or even become an offence.

When Parker Company tried to promote their pen in Latin America, the slogan "Escape troubles using Parker pen", after a simple translation, changed to: "Escape pregnancy using Parker pen".

(iv) Religion influence

Religion is another important cultural element, which can strongly influence the concept of the advertising. This takes place in Muslim countries where religious concepts affect daily life. The advertising has to respect the supremacy of human life and values, and to respect also old people and family ties.

(v) Influence of education

The education is another element which has a very important influence over the advertising projects. Highly educated or illiterates people require certain ways, texts or media support to be used.

Cultural norms require a carefully usage of comic sentences in advertising. Something these can be very funny in a certain country, but they may represent an offence in another.

(vi) Personnel policies

Maybe the most critical in advertising is the respect for traditions, customs, norms and cultural values. These impose a certain personal behaviour, so indirectly, they can influence advertising.

Using local sales persons will make it easier for crossing borders and barriers:

because they understand the language, behaviour and the local buying customs.

In Arab countries, women have a unique status comparing with other countries, so it is very difficult to find sales women. Even the status of sales persons is different from one country to another. In USA, the status of sales persons is a positive one: often students are working as sales persons, as the first stage of their career. However, this does not happen in Europe. The training of the sales staff is also influenced by cultural norms and values. The American values are: competition, self improvement and self confidence. For the Japanese, the cultural values are: group harmony and relationship. For Arabs, the cultural values are: reputation, age and family ties. See [9]

All the above elements are the buying motivation of the customer: it is a result of one's own decision and based on the cultural background of each person.

The latest studies bring forward the importance of cultural elements in marketing, and show that marketers have been taking these elements in consideration in their mix-marketing plans.

Multinational companies adapt their knowledge to the local culture, so they can ensure their success. The agents of the companies prepare themselves for meetings, by accumulating knowledge concerning: the client's cultural background, language and customs, in order to improve their image in the front of the client.

Sometimes business people can find resistance from the client, just because they did not adapt their behaviour to the one of the client, which results in making severe mistakes and leads to acut off the deal.

5. Conclusions

The key of success on markets is adapting the marketing program to the cultural differences which interact with the

business. This adaptation is a matter of effort from the marketers. This paper presented the main issues related to the influence of the culture and multi-cultural communities on the present techniques and approaches for marketing.

We have shown that cross-cultural marketing is a process of taking decisions by marketers. In addition to analysing all cultural elements that can influence customer behaviour and eliminate one's own mistakes, Cross-cultural Marketing requires a continuous process of adjustment of the behaviour and programs of the company. All these are done in order to avoid falling in the trap of ethnocentrism, and related situations.

Cross-cultural Marketing will show its own value only when it succeeds to meet all demands which involve the social-cultural differences that are available on the target market.

Today, Cross-cultural marketing is a new strategy. However, its techniques are spreading and it will be applied by more and more companies. Soon, it will belong to the portfolio of the process of penetrating new target market.

Therefore, in practice, companies will use personnel which have experience and knowledge of economics and culture. As real negotiators, cross-cultural marketers are professionals in communication, in analysing and anticipating the demands of their future partners.

A businessman with international activities should have knowledge of anthropology, sociology, psychology, diplomacy, law and economics. All the above requirements are needed in order to meet the tasks of one's own marketing program, which has been adapted to the market demand.

When using cross-cultural marketing, the multinational companies should not judge the value system of the target market.

Companies should organise, analyse and adapt their knowledge by using the cross-cultural marketing techniques in order to identify the similarities and the differences on the target market. All the efforts are made to obtain the final result: optimal strategies for each target market.

"Cross-cultural marketing" represents opportunities and changes for the future market. Numerous tasks are waiting for their solution.

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